

Saudi–Israel Normalization: Parameters for an Acceptable Deal

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OVERVIEW

U.S. involvement in a Saudi–Israel deal must serve U.S. interests: Reducing the U.S. military footprint in the Middle East while reimagining America’s role in the region by supporting an inclusive and sustainable regional security architecture. Such an architecture enables regional states to take responsibility for their own security, rather than relying on the United States. Constructing this architecture, in turn, requires the establishment of a Palestinian state since it neutralizes a critical and persistent source of regional instability that consistently has pulled the United States back into the region militarily.

Consequently, a Saudi–Israel deal must not deepen the United States’ security commitment to the Middle East. Redlines for such an agreement are: a) providing a security guarantee that could drag the United States into war, b) doubling down on the failed strategy of a soft security guarantee through arms sales, c) sharing technology that risks nuclear proliferation, and d) sidestepping the establishment of a Palestinian state.

SAUDI-ISRAEL NORMALIZATION: AN OPPORTUNITY TO REIMAGINE THE U.S. ROLE IN THE MIDDLE EAST?

It is crucial that any Saudi–Israel normalization deal that involves the United States serves American interests, not merely those of Israel and Saudi Arabia. Contrary to the optimism in Washington, Saudi–Israel normalization would, in and of itself, neither transform nor stabilize the Middle East.

However, if normalization is part of a larger deal that helps establish a security architecture that facilitates America’s military exit from the region, then such a deal would serve U.S. interests and could prove transformative — both for the Middle East and for America’s role in that region. Such an architecture would have to include a Palestinian state that provides both Israelis and Palestinians with security and prosperity. Moreover, normalization will only be beneficial if it avoids unacceptable American concessions. That was, however, not the deal conceptualized by the Biden administration.

Stability and security in the Middle East serve broader U.S. interests. Until now, the United States has tried to pursue a secure Middle East by relying on an overwhelming military presence, the sale of vast amounts of weapons, and sending inordinate amounts of resources to Israel, Egypt, Jordan, and, until recently, Iraq and Afghanistan, while dividing the region into

different blocs rather than pursuing inclusive security. America's massive investment has not produced a stable or secure Middle East.

Washington has approached Saudi–Israel normalization in a manner that has doubled down on the existing failed approach by offering sensitive nuclear technology and an open-ended security commitment to Saudi Arabia. These concessions would dramatically deepen America's military obligation to the region instead of allowing the United States to reduce its footprint. Neither of these concessions contribute to American interests or security.

A Saudi–Israel normalization agreement could offer an opportunity to fundamentally reimagine America's approach to the region if Washington uses the agreement to herald a new era where regional actors take responsibility for the security of the Middle East. Embedding normalization in the creation of a new regional security architecture would enable the United States to reduce its military footprint in the region — a goal of the past four American presidents — in a durable manner.

This, however, requires ending the Israeli occupation and creating a Palestinian state. No security architecture will be stable and enduring if the Israeli–Palestinian conflict is allowed to continue to fester and destabilize the region as a whole. This was demonstrated by how the failures of the Abraham Accords to address the demands of Palestinians for basic human rights set the stage for the violence of Oct. 7 and its aftermath.

This research note provides both the redlines that should guide policymakers when considering Saudi–Israel normalization as well as the larger arrangement it should be embedded within to make a deal that serves both regional and U.S. interests. The specific proposals are based on the Quincy Institute's Better Order Project report from Nov. 2024. More detailed descriptions of the proposals can be found at www.BetterOrderProject.org.

A COMPREHENSIVE SECURITY ARCHITECTURE FOR THE MIDDLE EAST

A key factor behind the perpetual state of instability in the Middle East is that the region lacks an inclusive security architecture through an organization comparable to the Organization for Security and Cooperation in Europe or the Association of Southeast Asian Nations. Powers have focused more on forming quasi-blocs than advancing genuine cooperative security. Moreover, existing institutions like the Gulf Cooperation Council and the Arab League are exclusionary. The GCC is a subregional body, while the Arab League is limited to Arab states, excluding Iran, Israel, and Türkiye. The Abraham Accords sought to once again organize the region against Iran. All efforts toward exclusive security and bloc-building have failed to stabilize the region and have increased pressure on the United States to remain militarily active in the Middle East.

The United States should help initiate a U.N. Security Council–endorsed process to set up a permanent, formal organization to facilitate diplomacy and manage the region's security. The

organization should eventually become the preeminent hard security body in the region, although it should also address issues such as migration, climate change, and development. The organization should be inclusive and counter bloc formations. As a result, Türkiye, Iran, Israel, and Palestine must be full members of the organization. This requires that Saudi normalization with Israel is accompanied with the entire region establishing relations with Israel and incorporating it into the region's new framework for peace and security.

In order to be effective and sustainable, the organization and the broader security framework must have regional ownership and leadership, rather than being dictated by external powers. It also lies in the interest of the United States for the region to shoulder its own security rather than letting the cost and burden of Middle East security fall on the shoulders of the American people.

More importantly, the security architecture will not be able to stabilize the Middle East unless the Israeli–Palestinian conflict is resolved through the creation of a Palestinian state alongside Israel. This is why, in parallel with setting up the security architecture, a Palestinian state should also be established.

A SOLUTION TO THE PALESTINE CONFLICT

The events of Oct. 7 and the subsequent violence highlight the urgent need to end the Israeli occupation. Given the long-standing nature of this conflict, it is clear that incremental, short-term solutions will not bring self-determination for the Palestinian people or security for Israel. The only path forward is ending the occupation. The current intensity of tensions and widespread suffering demand bold, visionary diplomacy. Anything less will only prolong the cycle of violence. The Saudi position on normalization has also significantly hardened following the destruction of Gaza, with Crown Prince Mohammed bin Salman himself declaring that normalization will not occur without the establishment of a Palestinian state.

Both Palestinians and Israelis have equal national and individual rights that must be recognized and realized. Unfortunately, relying on the parties involved to achieve a two-state solution through direct negotiations has proven to be unworkable. Rather, an imposed solution based on international laws and the 1967 borders is required, just as Israel's own creation was imposed by the international community. The Better Order Project has offered a detailed three-year timeline for this process.

It is through the interconnectedness of the two proposals that a clear cost-benefit framework that shifts the Israeli calculus is achieved. It increases the cost to Israel to continue the occupation while dramatically increasing the security benefits of relinquishing it by offering full normalization with — and security integration into — the region. Consequently, the two proposals should be pursued simultaneously — although advances in the security architecture should not be delayed due to slow progress on the Israeli–Palestinian issue. However, Israel

cannot formally join the proposed security organization until the steps outlined to establish a State of Palestine are implemented.

The full implementation of these proposals would protect Israel's security, give the Palestinians a viable state, and provide America with a path to bring U.S. servicemen and women home from the region — and keep them home.

REDLINES: WHAT WOULD BE A BAD DEAL FOR U.S. AND REGIONAL SECURITY?

U.S. policymakers should avoid the following redlines when pursuing Saudi–Israeli normalization and the larger arrangement for the region:

A war obligation to Saudi Arabia

At present, even the United States' commitment to the security of the State of Israel is not codified by a treaty. It remains at the discretion of the United States to decide the nature and level of support that it provides to Israel. By contrast, the defense treaty that Saudi Arabia has requested in order to normalize relations with Israel would compel the United States to go to war on the kingdom's behalf. Such an open-ended security guarantee would likely create a moral hazard whereby the Saudis likely will pursue more bellicose behavior than they otherwise would, knowing they are backed up by the might of the U.S. military. This request should be categorically rejected.

Granting the Saudis sensitive nuclear enrichment technology

Providing Saudi Arabia sensitive nuclear technology would undermine long-standing U.S. efforts to prevent the spread of nuclear weapons. The safeguards that presumably would accompany the deal can only do so much. Saudi Arabia has stated an intention to update its current minimal safeguards agreement with the International Atomic Energy Agency, but it has so far not done so, nor does it subscribe to the IAEA's Additional Protocol, which provides for more intrusive inspections and monitoring. Technical knowledge and many of the capabilities acquired in a civilian nuclear program can be reprogrammed for military purposes, especially if earlier commitments are abandoned. More worryingly, Saudi leaders have repeatedly stated their intent to acquire nuclear weapons if Iran does so. The return to a so-called "maximum pressure" policy on Tehran increases the risk of conflict between the U.S. and Iran, which makes an Iranian nuclear weapon more likely. This, in turn, makes it all the more dangerous to share sensitive enrichment technology with Riyadh.

Moreover, Riyadh's demand to obtain enrichment technology would violate decades-long U.S. nonproliferation policy of prohibiting the spread of sensitive enrichment and reprocessing technology. A Saudi exception would make it difficult for the United States to say no to others.

Normalization with Israel without the establishment of a Palestinian state

The rationale for the United States facilitating a normalization agreement between Saudi Arabia and Israel is to achieve an outcome that improves Israeli and regional security. Yet, depriving the Palestinians of their right to statehood only fuels extremism and increases the risk of violence, as demonstrated on Oct. 7, 2023. Durable security is not possible without an outcome that provides for the security of both Israelis and Palestinians. A true solution will be an outcome that Palestinians and regional states are invested in maintaining rather than determined to resist. Vague promises of pathways to Palestinian statehood have proven a mirage — only the *full establishment* of a state will serve stability.

IF NOT NOW, WHEN?

The alternative to de-occupation is no longer a continuation of the status quo but a worsening violent conflict that could lead to further regional instability and further U.S. entanglement. The current Oslo peace process–based negotiation model has only reinforced power imbalances, with the Palestinian Authority losing credibility for enforcing the Israeli occupation and Israel facing few repercussions for maintaining it. This approach, which relies on incremental steps without a clear end goal, has worsened security conditions instead of achieving progress toward a resolution. Over the past decades, the United States has effectively abandoned a two-state solution, which has driven the region toward greater violence, as witnessed on Oct. 7 and afterward. Moreover, a mere reconstruction plan for Gaza will not in and of itself resolve the conflict.

With time running out before even more devastating consequences unfold, the United States should not invest in a limited normalization deal that would deepen America’s security obligations to the region while undermining long-term security. Rather, it should pursue a bold vision that breaks with the patterns of the past, offers Israel far more than just normalization with Saudi Arabia, paves the way for the United States to withdraw troops from the Middle East, and shifts the burden of security off of American shoulders.

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